

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

RECEIVED
NOV 14 1986

5. LEASE DESIGNATION AND SERIAL NO.

U-40751

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Cave Canyon

9. WELL NO.

2-33

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Section 33-T37S-R24E

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South Fourth Street - Artesia, NM 88210

DIVISION OF

OIL, GAS & MINING

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface

At proposed prod. zone

Same

UNORTHODOX LOCATION

PROPER PAPERWORK IS BEING SENT TO STATE OF

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

UTAH

Approximately 12 miles northwest of Hatch Trading Post

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drig. unit line, if any)

1470'

16. NO. OF ACRES IN LEASE

961.88

17. NO. OF ACRES ASSIGNED

TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

6190'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5392' GL

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48# H-40	Approx. 100'	50 sacks
12-1/4"	8-5/8"	32# K-55	" 2000'	950 sacks
7-7/8"	5-1/2"	15.5# J-55	TD	450 sacks

We propose to drill and test the Akah and intermediate formations. Approximately 2000' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW to 5500'; fresh water gel to TD. MW 9.0-10.4, Vis 35-45; FL 10-15

BOP PROGRAM: BOP's will be nipped up when surface casing is set.

Deer wintering strips in effect must
spud before 12-1-86

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Cy Cowan

TITLE Regulatory Agent

DATE Nov. 13, 1986

(This space for Federal or State office use)

PERMIT NO.

43-037-31286

APPROVAL DATE

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

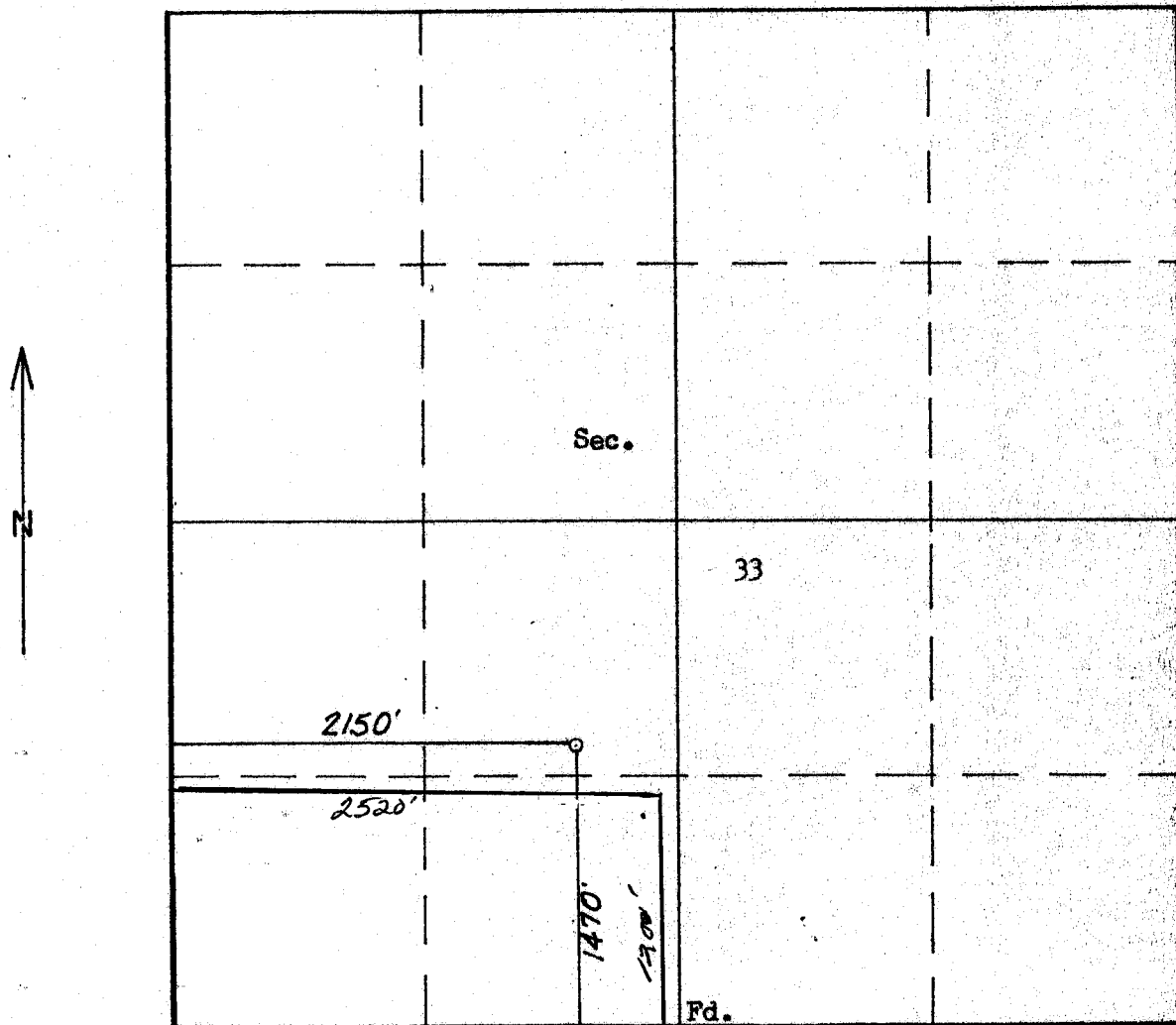
DATE: 11-21-86

BY: John R. Doka

WELL SPACING: 302-1

*See Instructions On Reverse Side

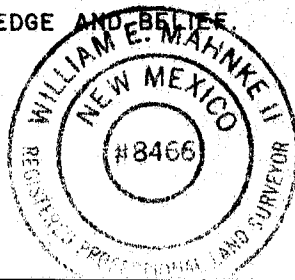
COMPANY YATES PETROLEUM CORPORATION
LEASE CAVE CANYON WELL NO. 2-33
SEC. 33, T. 37 S, R. 24 E
COUNTY San Juan STATE Utah
LOCATION 1470' FSL & 2150' FWL
ELEVATION 5392



SCALE: 1" = 1000'

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SEAL:



William E. Mahnke II
WILLIAM E. MAHNKE II
NEW MEXICO P.L.S. Nº 8466

YATES PETROLEUM CORPORATION

Cave Canyon #2-33

1470 FSL + 2150 FWL

Section 33-T37S-R24E

San Juan County, Utah

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geologic surface formation is the Morrison formation.
2. The estimated tops of geologic markers are as follows:

Morrison	Surface	Paradox	5575'
Entrada	780'	Upper Ismay	5720'
Navajo	980'	Lower Ismay	5895'
Wingate	1555'	Upper Desert Creek	5975'
Chinle	1855'	Lower Desert Creek	6040'
Cutler	2700'	Akah	6100'
Honaker Trail	4625'	TD	6125'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered are:

Water: Surface to 1026'

Oil or Gas: Honaker Trail 4625'; Upper Ismay 5975'; Desert Creek 6040'

4. Proposed Casing Program:

Surface Casing:

There will be one stage of cement. Cemented with 900 sacks of Class C 2% CaCl₂ (700 cubic feet of cement) circulated. Casing shoe will be set at 2000' and float equipment set at approx. 1960'.

Production Casing:

There will be one stage or as warranted of cement. Cemented with enough Class C to equal 235 cubic feet or approximately 310 sacks to reach estimated top at 5000'. Float collar will be set at approx. 40' above TD with casing shoe set at TD.

NOTE: THE SAN JUAN RESOURCE AREA WILL BE NOTIFIED ONE (1) DAY PRIOR TO RUNNING CASING STRINGS AND CEMENT AND PRESSURE TESTS.

5. Pressure Control Equipment: See Form 9-331C. NOTE. The San Juan Resource Area will be notified 1 day prior to pressure testing.

6. Mud Program:

<u>DEPTH</u>	<u>TYPE</u>	<u>WEIGHT #/GAL.</u>	<u>VIS-sec./qt</u>	<u>FLUID LOSS</u>
0-5500'	FW			
5500-TD	FW gel/starch	9.0-10.4	35-45	10-15

7. Auxiliary Equipment: Kelly cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.

8. Testing, Logging and Coring Program:

Samples: 10' samples out from under surface casing to TD
DST'S: Two (2) possible
Coring: None
Logging: Dil & CNL/LDT from TD to casing. Possible dipmeter and sonic.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

MOAB DISTRICT

CONDITIONS OF APPROVAL FOR PERMIT TO DRILL

Company Yates Petroleum Well Name CAVE Canyon 2-33
Location: Section 33 Township 37 S Range 24 E
County San Juan State Utah Lease No. U-40751
1470 FSL 2150 FWL

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM:

1. Surface Formation and Estimated Formation Tops: _____

2. Estimated Depth at Which Oil, Gas, Water or Other Minerals Bearing Zones are Expected to be Encountered:

	<u>Formation</u>	<u>Zone</u>
Expected Oil Zones:	_____	_____
Expected Gas Zones:	_____	_____
Expected Water Zones:	_____	_____
Expected Minerals Zones:	_____	_____

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth, cased and cemented. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment: _____

3. CONTINUED:

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventors will be pressure tested before drilling casing cement plugs. The San Juan Resource Area (will/will not be notified ____/____ days before pressure testing.

4. Casing Program and Auxiliary Equipment: _____

Anticipated cements tops will be reported as to depth, not the expected number of sacks. The San Juan Resource Area (will/will not) be notified ____/____ days before running casing strings and cement.

5. Mud Program and Circulating Medium: _____

6. Coring, Logging and Testing Program: _____

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analysis, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. If requested, samples (cuttings, fluids and/or gases) will be submitted to the District Manager.

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards: _____

8. Anticipated Starting Dates and Notifications of Operations:

The operator will contact the San Juan Resource Area at 801-587-2001, 48 hours before beginning any dirt work.

No location will be constructed or moved, no well will be plugged and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the San Juan Area Manager, a minimum of 24 hours before spudding. A Sundry Notice (Form 3160-5) will be sent within 24 hours after spudding, reporting the spud date and time. The Sundry will be sent to the District Manager. If the spudding is on a weekend or holiday, the Sundry will be submitted on the following regular work day.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329 "Monthly Report of Operations," starting with the month in which operations begin and continue each month until the well is physically plugged and abandoned. This report will be sent to the BLM District Office, P. O. Box 970, Moab, Utah 84532.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.

If a replacement rig is planned for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed, for prior approval of the District Manager. All conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergencies, verbal approval can be given by the District Petroleum Engineer.

If the well is successfully completed for production, then the District Manager will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than 5 business days following the date on which the well is placed on production.

No well abandonment operations will begin without the prior approval of the District Manager. In the case of newly drilled dry holes or failures, and in emergencies, oral approval will be obtained from the District Petroleum Engineer. A "Subsequent Report of Abandonment" (Form 3160-5), will be filed with the District Manager within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration.

Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the San Juan Area Manager, or the appropriate surface manager.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently beaded-on with a welding torch: Fed, Well number, location by 1/4 1/4 section, township and range, lease number.

A first production conference will be scheduled within 15 days after receipt of the first production notice. The San Juan Area Manager will schedule the conference.

Other: The following may be inspected and/or witnessed:

1. The cementing and testing of surface casing and testing BOP's.
2. (Dry Hole) Setting and testing of surface casing shoe plug.
3. (Depleted Producer) The setting and testing of plugs across the producing horizon and if applicable the surface casing shoe plug and/or annulus (Casing to formation) squeeze jobs.

Notify the San Juan Resource Area (Mike Wade) one day or on dry hole as soon as possible prior to the above at 801-587-2201 (Home 801-587-2026 or if unable to reach Mike, call Moab District Office Greg Noble at 801-259-6111 (Home) 801-259-8811.

B. THIRTEEN POINT SURFACE USE PLAN

1. Existing Roads: Shown in Red

A. Location of proposed well in relation to town or other reference point:

Northwest of Hatch Trading Post

B. Proposed route to location: Refer to Exhibit A

C. Plans for improvement and/or maintenance of existing roads: County

maintained roads will be used

(206)

The maximum total disturbed width will be N/A feet.

D. An encroachment permit will be obtained from the San Juan County Road Department, 801-587-2231, ext. 43.

E. Other: ROW through Sec 3 has been
obtained

2. PLANNED ACCESS ROADS

A. The maximum total disturbed width will be 30 feet.

B. Maximum grade: ~~30%~~ NA

C. Turnouts: ~~NA~~ AS Needed

D. Location (centerline): Flagged

E. Drainage: As needed

F. Surface Materials: Native

G. Other: If needed during wet weather road may be upgraded

Each fence which is crossed by the road will be braced as shown in Enclosure No. 1, and tied off before cutting to prevent slackening of the wire. A gate or cattleguard which must be approved by BLM, will be installed.

If road construction cuts through natural topography which serves as a livestock barrier, a fence shall be constructed as shown in Enclosure 1.

Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance by the San Juan Area Manager.

The access road will be water barred or brought to Class III Road Standards within 60 days of dismantling of the drill rig. If this time frame cannot be met, the San Juan Area Manager will be notified so that temporary drainage control can be installed along the access road.

The Class III Road Standards which ensure drainage control over the entire road through the use of natural, rolling topography; ditch turnouts; drainage dips; outsloping; crowning; low water crossings; and culverts will be determined at the appropriate field inspection.

3. Location of Existing Wells: Note Exhibit E - one mile radius map.

4. Location of Tank Batteries and Production Facilities:

All permanent (on site for 6 months or longer) above ground facilities (including pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5-State Inter-agency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The color will be Neutral.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place before any deliveries. Tests for meter accuracy will be conducted monthly for the first 3 months on new meter installations and at least quarterly thereafter. The San Juan Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the San Juan Area Manager. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5. LOCATION AND TYPE OF WATER SUPPLY

All water needed for drilling purposes will be obtained from: Private source

Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer (801) 637-1303 and by receiving permission from the land owner or surface management agency to use the land containing the water source.

6. SOURCE OF CONSTRUCTION MATERIALS

Pad construction material will be obtained from: native materials will be used

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3. Construction material (~~will~~/will not) be located on lease.

7. METHODS OF HANDLING WASTE DISPOSAL

The reserve pit (~~will~~/will not) be lined with commercial bentonite sufficient to prevent seepage. At least half of the capacity will be in cut.

Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.

7. CONTINUED:

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.

A burning permit is required for burning trash between May 1 and October 31. This can be acquired by contact the San Juan County Sheriff in Monticello, Utah.

Produced waste water will be confined to a (lined/unlined) pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NITL-2B).

8. ANCILLARY FACILITIES

Camp facilities (~~will~~/will not) be required. They will be located: _____

9. WELL SITE LAYOUT

The reserve pit will be located: Northeast

The top 6 inches of soil material will be removed from the location and stockpiled separate from the trees on the West side. Topsoil along the access will be reserved in place.

Access to the well pad will be from: Southeast

10. RECLAMATION

- A. Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.
- B. The operator/holder or his contractor will contact the San Juan Resource Area office in Monticello, Utah, 801-587-2201, 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- C. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.
- D. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.
- E. The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 12 inches deep with the contour.
- F. Water bars will be built as follows to control erosion.

10. CONTINUED

GRADE

2%
2-4%
4-5%
5+%

SPACING

every 200 feet
every 100 feet
every 75 feet
every 50 feet

- G. Seed will be broadcast between October 1 and February 28 with the following prescription. A harrow or similar implement will be dragged over the area to assure seed cover.

_____ lbs/acre Indian ricegrass (Oryzopsis hymenoides)
2 _____ lbs/acre Galleta (Hilaria jamesii)
2 _____ lbs/acre crested wheatgrass (Agropyron desertorum)
2 _____ lbs/acre Western wheatgrass (Agropyron smithii)
_____ lbs/acre Alkali sacaton (Sporobolus airoides)
_____ lbs/acre Sand dropseed (Sporobolus cryptandrus)
3 _____ lbs/acre Fourwing saltbush (Atriplex canescens)
_____ lbs/acre Shadscale (Atriplex confertifolia)
_____ lbs/acre Green ephedra (Ephedra viridis)
_____ lbs/acre Cliffrose (Cowania mexicana)
_____ lbs/acre Desert bitterbrush (Purshia glandulosa)
_____ lbs/acre Winterfat (Eurotia lanata)
_____ lbs/acre Globemallow (Sphaeralcea ambigua)
_____ lbs/acre Wild sunflower (Helianthus annuus)
_____ lbs/acre

- H. After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed areas. The access will be blocked to prevent vehicular access.

- I. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed as described in the reclamation section. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.

11. Surface Ownership: _____ Federal

Minerals Ownership: _____ Federal

12. Other Information: Deer Wintering Stops in
effect. Must Spud before 12-1-86

12. CONTINUED:

There will be no change from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

The dirt contractor will be provided with an approved copy of the surface use plan.

If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All people who are in the area will be informed by the operator/holder that they are subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will be done by a BLM approved archaeologist only if damage occurs.

This permit will be valid for a period of one year from the date of approval. After permit termination a new application will be filed for approval for any future operations.

Your contact with the District Office is: _____

Office Phone: _____ Address: _____

Resource Area Manager's address and contacts:
Address: _____

Your contact is: _____

Office Phone: _____

13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION
Representative:

Name: Yates Petroleum Corporation
Address: 105 South Fourth Street - Artesia, NM 88210
Phone No. 505-748-1471

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

11/11/86
Date

Cy Cowan
Cy Cowan
Regulatory Agent

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

STATE OFFICE:

SERIAL NO.: UTAH 40751

and hereby designates

NAME: YATES PETROLEUM CORPORATION
ADDRESS: 105 South Fourth Street
Artesia, New Mexico 88210

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the authorized officer may serve written or oral instructions in securing compliance with the Operating Regulations (43 CFR 3160) with respect to (describe acreage to which this designation is applicable):

Township 37 South, Range 24 East
Section 33: NE $\frac{1}{4}$ SW $\frac{1}{4}$

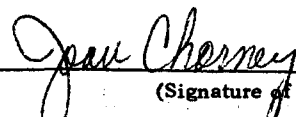
San Juan County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the authorized officer of any change in the designated operator.

JOAN CHORNEY



(Signature of lessee)

555 17th Street, Ste 1000
Denver, Colorado 80202-3910

November 7, 1986

(Date)

(Address)

This form does not constitute an information collection as defined by 44 U.S.C. 3502 and thereto does not require OMB approval.

Exhibit A

YATES PETROLEUM CORPORATION

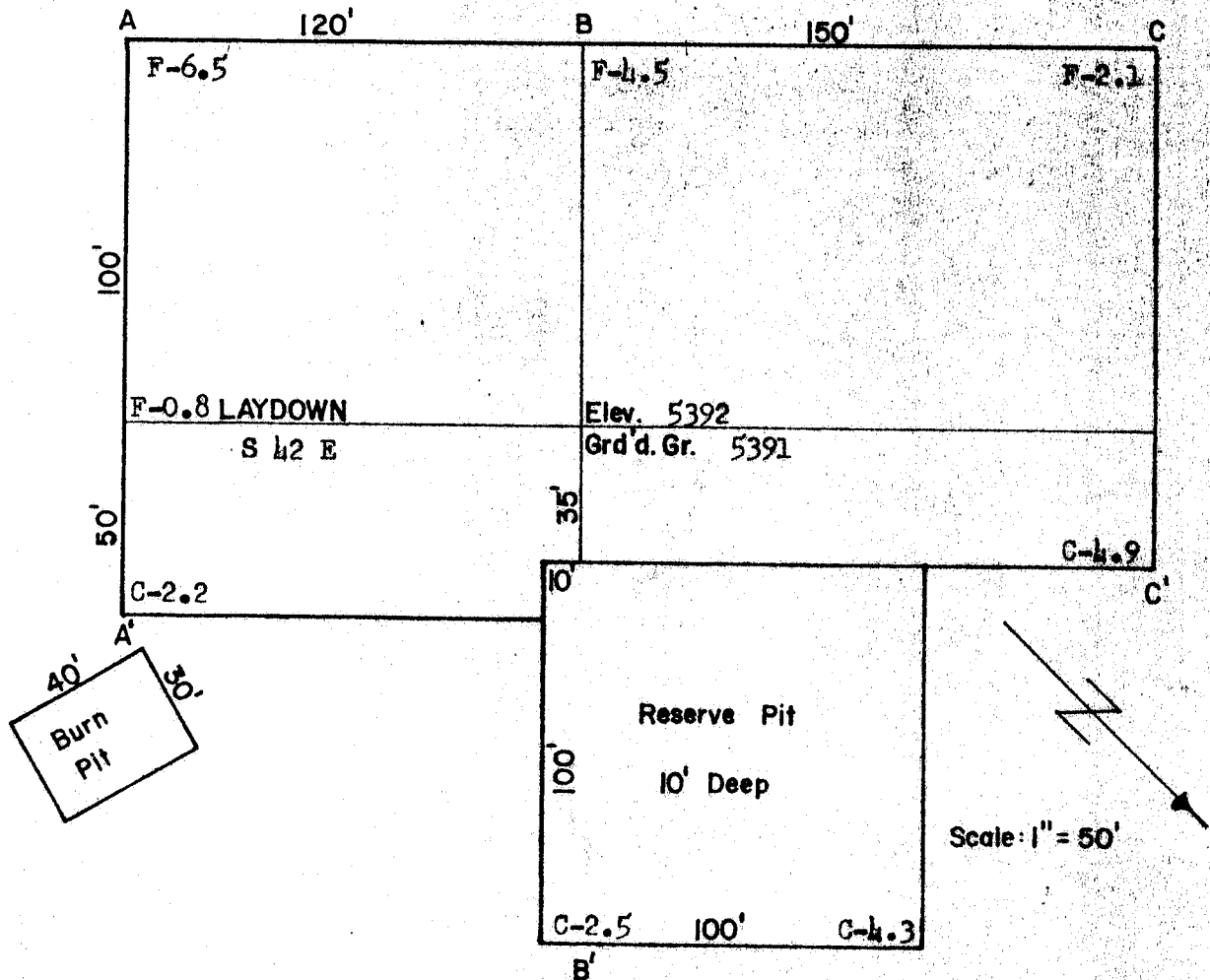
2-33 CAVE CANYON

1470' FSL & 2150' FWL

Sec. 33 T37S R24E

San Juan Co., Utah

Exhibit B



A-A'	Vert.: 1" = 30'	Horiz.: 1" = 100'	C/L
5400	-----	-----	-----
5390	-----	-----	-----
	-----	-----	-----
	-----	-----	-----

B-B'	Vert.: 1" = 30'	Horiz.: 1" = 100'	C/L
5400	-----	-----	-----
5390	-----	-----	-----
	-----	-----	-----
	-----	-----	-----

C-C'	Vert.: 1" = 30'	Horiz.: 1" = 100'	C/L
5400	-----	-----	-----
5390	-----	-----	-----
	-----	-----	-----
	-----	-----	-----

Exhibit C

COLEMAN DRILLING CO.

FRONT OF RIG NO. 3

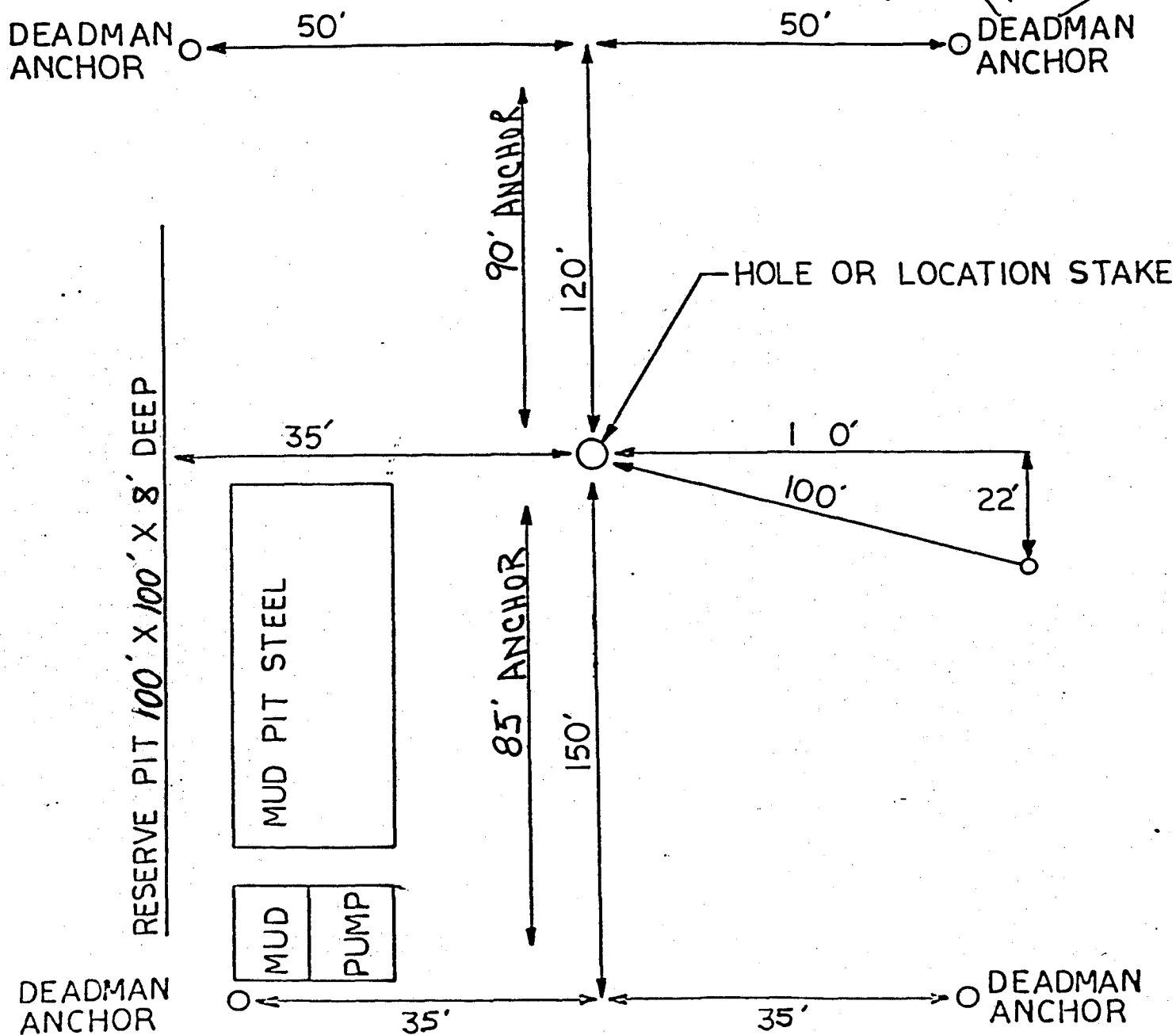
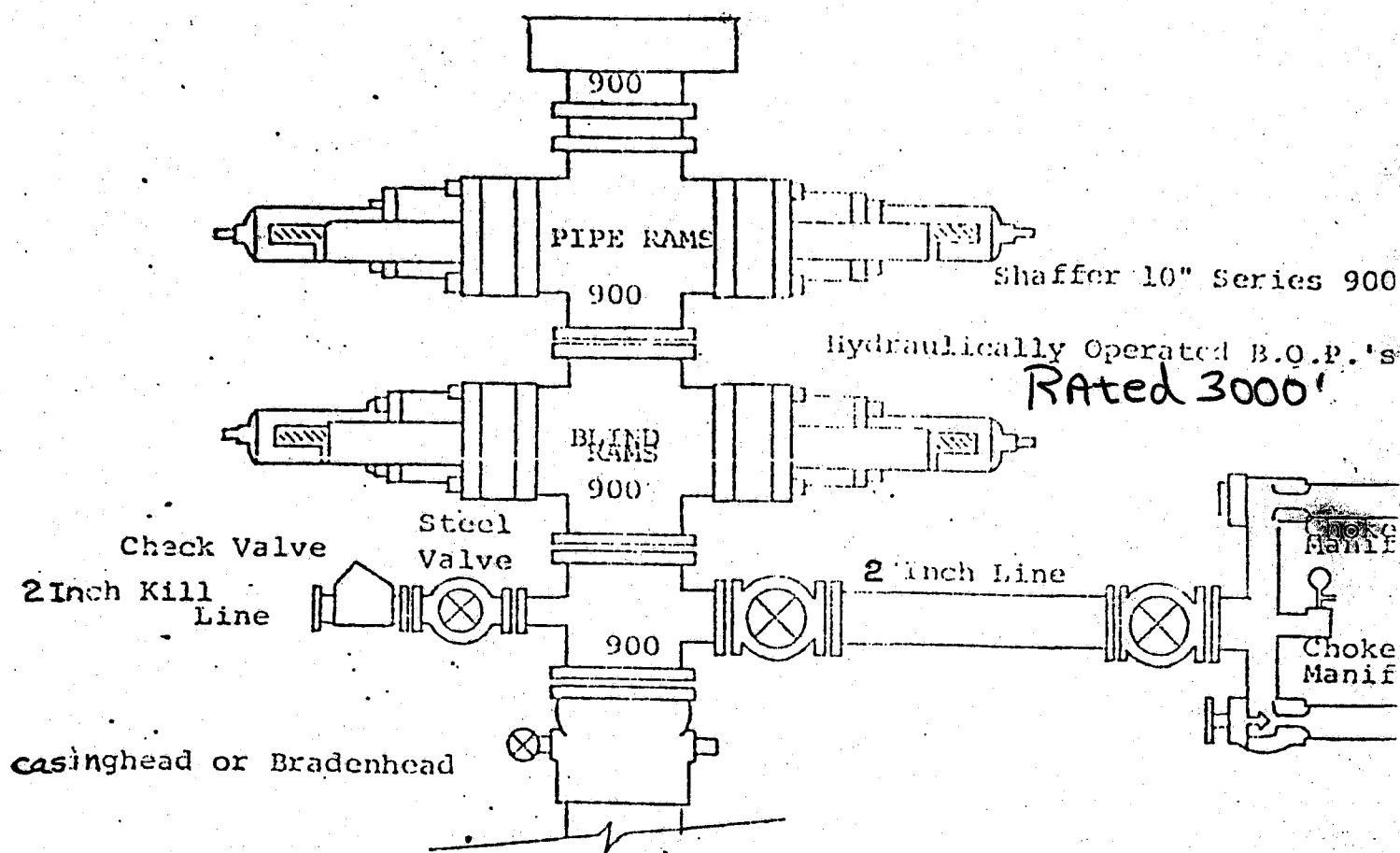


Exhibit D



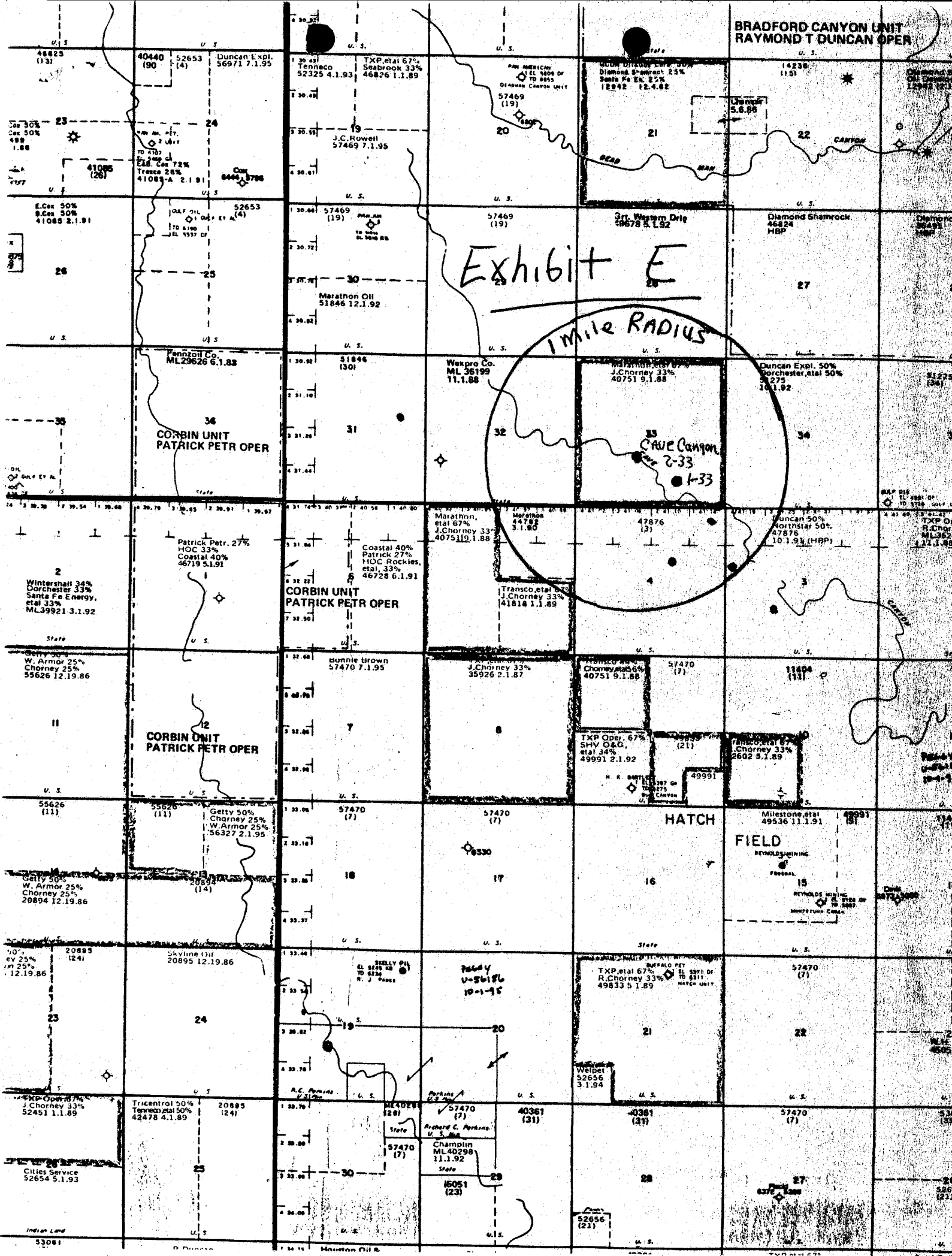
FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 2" diameter.
- Kill line to be of all steel construction of 2" minimum diameter.
- All connections from operating manifolds to preventers to be all steel.
- hole or tube a minimum of one inch in diameter.
- The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- Inside blowout preventer to be available on rig floor.
- Operating controls located a safe distance from the rig floor.
- Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
- B. P. float must be installed and used below zone of first gas intrusion.

BRADFORD CANYON UNIT
RAYMOND T DUNCAN OPER

Exhibit E

1 mile RADIUS



FILING FOR WATER IN THE STATE OF UTAH

APPLICATION TO APPROPRIATE WATER

031023

Rec. by PSS
Fee Paid \$ 15.00
Platted 21134
Microfilmed _____
Roll # _____

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

WATER USER CLAIM NO. 09 - 1481

APPLICATION NO. T62078

1. PRIORITY OF RIGHT: September 26, 1986

FILING DATE: September 26, 1986

2. OWNER INFORMATION

Name: Coleman Drilling Company

Address: P.O. Drawer 3337, Farmington, NM 87499

The land is not owned by the applicant(s), see explanatory.

3. QUANTITY OF WATER: 5.0 acre feet (Ac. Ft.)

4. SOURCE: Pond on Richard Gore Property DRAINAGE: San Juan River

POINT(S) OF DIVERSION:

COUNTY: San Juan

(1) Pond located in SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec 12, T38S, R24E, SLBM.

COMMON DESCRIPTION: 7.5 mi. No. Hatch Trading Post

5. STORAGE

Water is to be stored in Unnamed Pond reservoir from January 1 to December 31.

Capacity 2.0 ac.ft. Innundating 0.25 acres. Height of dam 4 feet.

The area innundated by the reservoir includes all or part of each of the following legal subdivisions.

TOWN	RANGE	SEC	North East Quarter				North West Quarter				South West Quarter				South East Quarter			
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$
38 S	24 E	12			X													

All locations in Salt Lake Base and Meridian

6. NATURE AND PERIOD OF USE

Oil Exploration From September 29 to September 29.

7. PURPOSE AND EXTENT OF USE

Oil Exploratio: Drilling fluid

8. PLACE OF USE

The water is used in all or parts of each of the following legal subdivisions.

TOWN	RANGE	SEC	North East Quarter				North West Quarter				South West Quarter				South East Quarter			
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$
37 S	24 E	07	ALKALI POINT				1-7				X							
37 S	24 E	30	MC CRACKEN SPRING 3-31												X			
37 S	24 E	33	CAVE CANYON				2-33								X			

All locations in Salt Lake Base and Meridian

43-037-31286 POW/DSCR

EXPLANATORY

Appropriate

-3
of 1983)
dy 9-331C)

SUBMIT IN TRIPLICATE:
(Other instructions on Bureau
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface

1470 FSL + 2150 FWL

At proposed prod. zone

Same

PROPER PAPERWORK IS BEING SENT TO STATE OF

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

UTAH

Approximately 12 miles northwest of Hatch Trading Post

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1470'

16. NO. OF ACRES IN LEASE

961.88

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

6190'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5392 GL

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48# H-40	Approx. 100'	50 sacks
12-1/4"	8-5/8"	32# K-55	" 2000'	950 sacks
7-7/8"	5-1/2"	15.5# J-55	TD	450 sacks

We propose to drill and test the Akah and intermediate formations. Approximately 2000' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW to 5500'; fresh water gel to TD. MW 9.0-10.4, Vis 35-45; FL 10-15

BOP PROGRAM: BOP's will be nipped up when surface casing is set

*Deer wintering strips in effect must
spud before 12-1-86*

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Cy Cowan

TITLE

Regulatory Agent

DATE

Nov. 13, 1986

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

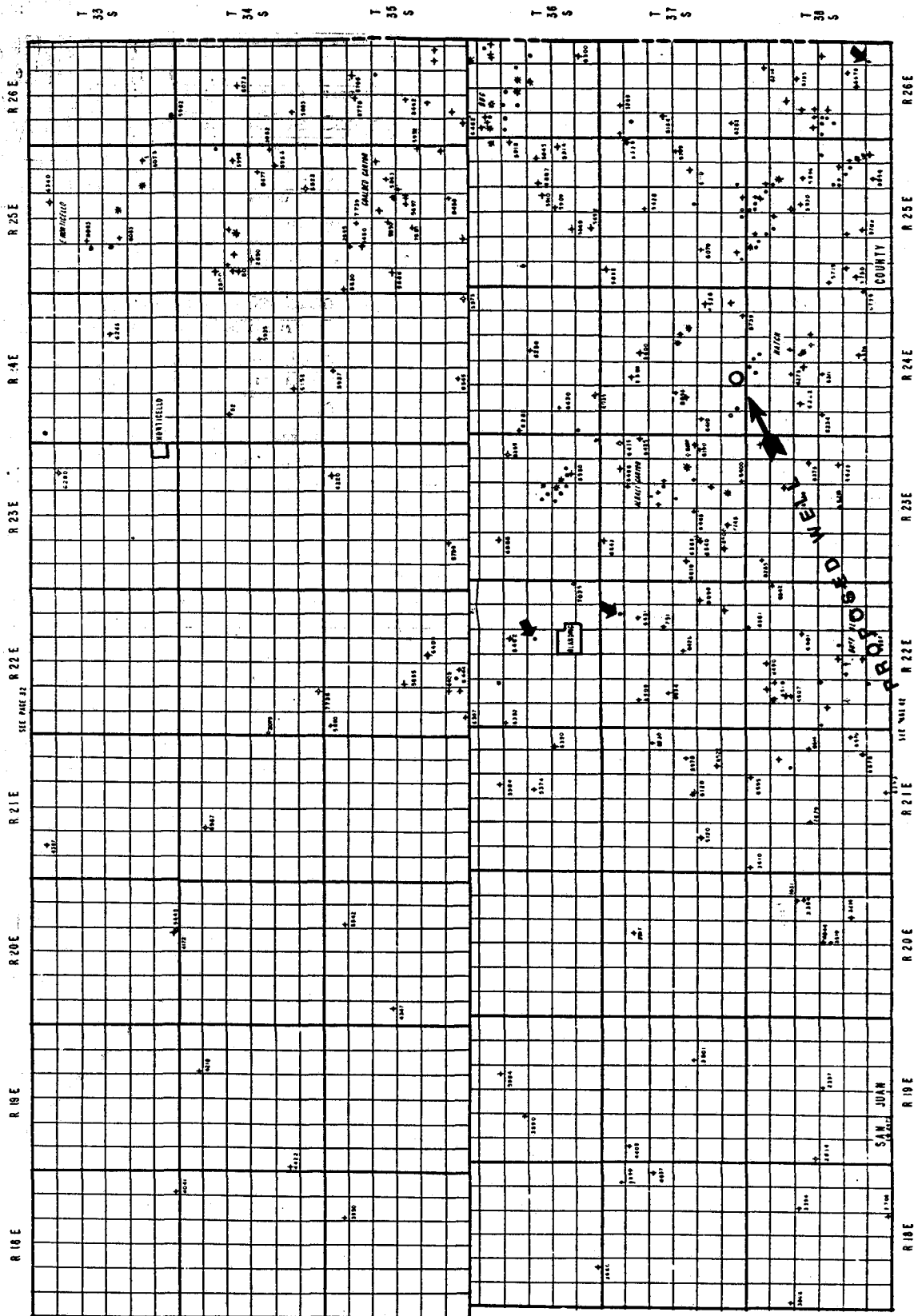
TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



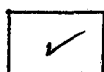
112506

OPERATOR Yates Petroleum Corp. DATE 11-17-86
 WELL NAME Cave Canyon 2-33
 SEC 86 SW 33 T 37S R 24E COUNTY San Juan

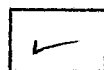
43-037-31286
 API NUMBER

Fed.
 TYPE OF LEASE

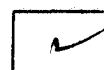
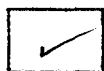
CHECK OFF:



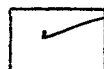
PLAT



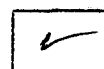
BOND

NEAREST
WELL

LEASE



FIELD

POTASH OR
OIL SHALE

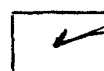
PROCESSING COMMENTS:

No other well within 920'Need water permitExp. loc. requested - Rec. 11/19/86

APPROVAL LETTER:

SPACING: ☐ 203 _____ UNIT☐ 302

CAUSE NO. & DATE



302.1

STIPULATIONS:

1- Water



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

November 18, 1986

RECEIVED
NOV 19 1986

State of Utah
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

**DIVISION OF
OIL, GAS & MINING**

ATTENTION: Ms. Arlene Sollis

RE: Exception to the location for the
proposed Yates Petroleum
Corporation well, Cave Canyon #2-33,
located 1200' FSL and 2520' FWL of
Section 19-T38S-R24E
San Juan County, Utah

Dear Ms. Sollis:

Yates Petroleum Corporation hereby requests an exception to Rule 302 of the Oil and Gas Conservation's general rules and regulations orders. Yates Petroleum Corporation hereby is requesting that the unorthodox location for the Cave Canyon #2-33 be favorably approved by the State of Utah, Division of Oil, Gas and Mining.


The reason for moving this location unorthodox was due to geological and topographical reasons. With our interpretation of all materials and information it was determined that this spot was best for wildcat drilling activities.

We control the surrounding acreage within a 460 foot radius. A copy of a topographical map is enclosed showing the outline of the lease.

If you have any questions regarding this matter, please contact Yates' geologist, Mr. Steve Speer at 505-748-1471.

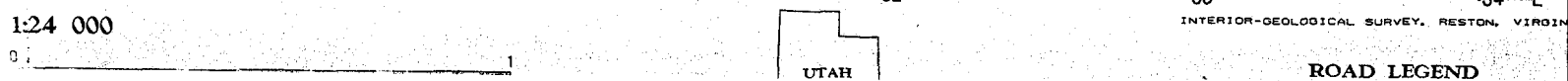
Thank you for your cooperation in this matter.

Sincerely yours,


Rusty Jernigan
Regulatory Secretary

rj

Enclosure





STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

November 21, 1986

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Gentlemen:

Re: Cave Canyon 2-33 - SE SW Sec. 33, T. 37S, R. 24E
1200' FSL, 2520' FWL - San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with Rule 302.1, Oil and Gas Conservation General Rules, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.
2. A corrected plat of the new footages.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.

Page 2
Yates Petroleum Corporation
Cave Canyon 2-33
November 21, 1986

5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable State and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
6. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31286.

Sincerely,



R. L. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals
D. R. Nielson
8159T

Mail to: A-95 Coordinator, State Clearinghouse, 124 State Capitol, SLC, Utah 84114, 533-4971

1. Applicant

DIVISION OF OIL, GAS AND MINING
3 TRIAD CENTER, SUITE 350
SALT LAKE CITY, UTAH 84180-1203

2. State Application Identifier Number

3. Approximate date project will start

A.S.A.P.

4. Areawide clearinghouse(s) receiving copy of STATE ACTION: (to be sent out by applicant)

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

5. Type of action: ☐ Lease ☒ Permit ☐ License ☐ Land Acquisition
☐ Land Sale ☐ Land Exchange ☐ Other: _____

6. Title of proposed action: APPLICATION FOR PERMIT TO DRILL

7. Description:

Yates Petroleum Corporation intends to drill a wildcat well on federal lease number U-40751 in San Juan County, Utah. The Division of Oil, Gas and Mining has reviewed the application and is prepared to issue state approval to drill. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S. Bureau of Land Management is the primary review agency in this case and must also issue approval to drill before operations can commence.

8. Land affected (Site location map required) (Indicate county)

NE/4, SW/4, Sec.33, T.37S, R.24E, San Juan County, Utah

9. Has the city/county been contacted regarding necessary zoning & building permits? Unknown

10. Possible significant impacts likely to occur:

No significant impacts are likely to occur.

11. Name and phone number of district representative from your agency near project site, if applicable. Mr. William Hutchinson 1-259-8151

12. For further information, contact:

Phone: John Baza, 538-5340

13. Signature and title of authorized official

John R. Baza, Petroleum Engineer
Date: 11-21-86

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

120208

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER Tite Hole SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1200' FSL + 2520' FWL

At proposed prod. zone

UNORTHODOX LOCATION

Same

PROPER PAPERWORK IS BEING SENT TO STATE OF

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

UTAH

Approximately 12 miles northwest of Hatch Trading Post

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1200'

16. NO. OF ACRES IN LEASE

961.88

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

6125'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5385' GL

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

5. LEASE DESIGNATION AND SERIAL NO.

U-40751

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Cave Canyon

9. WELL NO.

2-33

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

SESW
Section 33-T37S-R24E

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

RECEIVED
DEC 01 1986

DIVISION OF
OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Cy Cowan TITLE Regulatory Agent DATE Nov. 20, 1986

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

/S/ GENE NODINE

DISTRICT MANAGER

NOV 26 1986

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

FLARING OR VENTING OF
GAS IS SUBJECT TO NTL 4-A
DATED 1/1/80

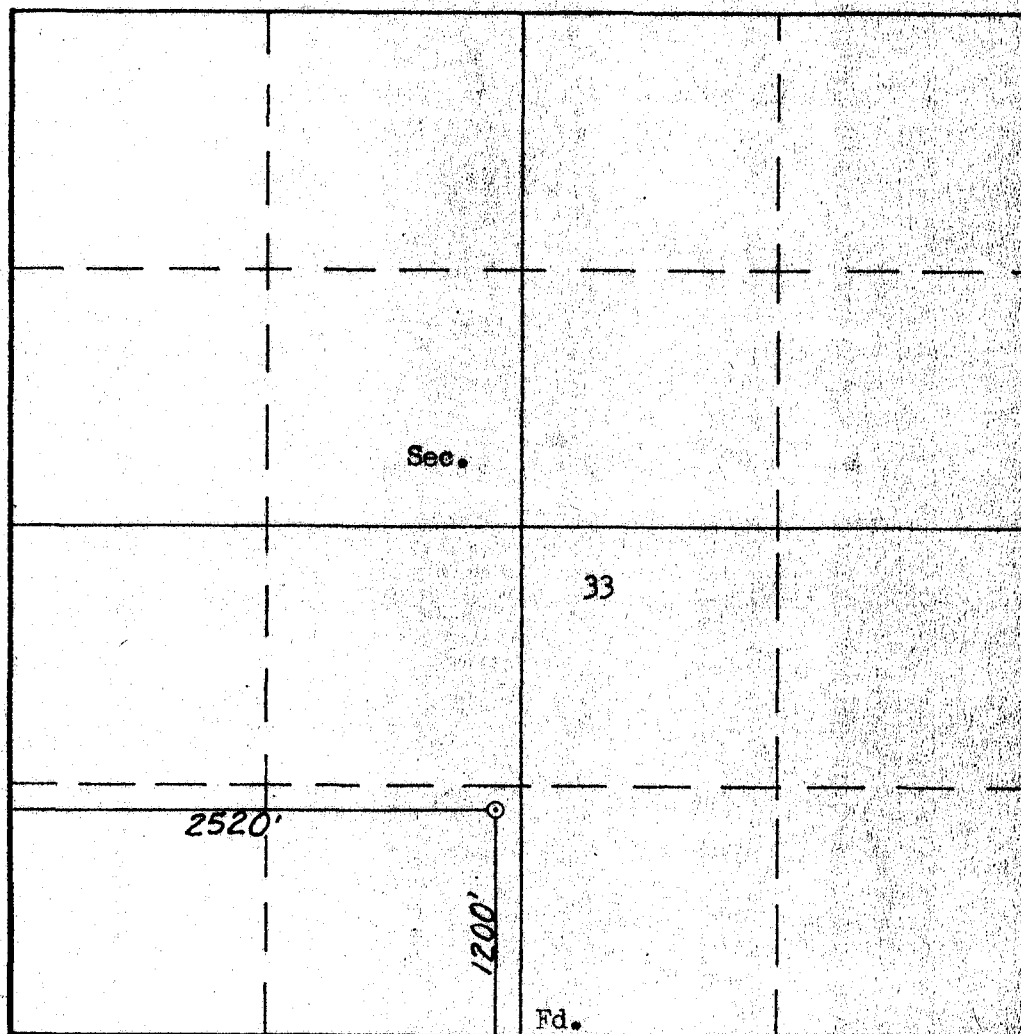
CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DOGM

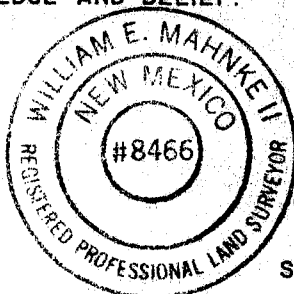
COMPANY YATES PETROLEUM CORPORATION
LEASE CAVE CANYON WELL NO. 2-33
SEC. 33, T. 37 S, R. 2h E
COUNTY San Juan STATE Utah
LOCATION 1200' FSL & 2520' FWL
ELEVATION 5385



SCALE: 1" = 1000'

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD
NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION
AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY
KNOWLEDGE AND BELIEF.

SEAL:



William E. Mahnke II
WILLIAM E. MAHNKE II
NEW MEXICO P.L.S. N° 8466

SURVEYED Nov. 21, 19 86

Yates Petroleum Corporation
Well No. Cave Canyon 2-33
Sec. 33, T. 37 S., R. 24 E.
San Juan County, Utah
Lease U-40751

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Yates Petroleum Corporation is the bonded entity as designated operator on this application. If any assignments or designations change, liability will remain with Yates Petroleum Corporation until we are formally notified by letter of the new bonded entity in reference to this Application for Permit to Drill.

A. DRILLING PROGRAM

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Office. If operations are to be suspended, prior approval of the District Office will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the District Office within a minimum of 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

In accordance with Onshore Order No. 1 this well will be reported on Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continued each month until the well is plugged and abandoned. This report will be sent to the District Office, P.O. Box 970, Moab, Utah 84532.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Area Office in accordance with requirements of NTL-3A.

If a replacement rig is needed for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations verbal approval to bring on a replacement rig will be approved through the District Office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Moab District Manager.

If the well is to be completed for production the Area Office is to be contacted in order to set up a pre-production conference. When the well is placed in a producing status the District Office is to be notified by telegram or other written communication within five working days.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

No well abandonment operation will be commenced without the prior approval of the District Office. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Office. A Subsequent Report of Abandonment (Form 3160-5) will be sent to the District Office within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Office, or the appropriate surface managing agency. Upon completion of approved plugging, a dry hole marker will be erected in accordance with 43 CFR 3162.6. The top of the marker will be closed or capped. The following minimum information will be permanently placed on the marker; "Fed" or "Ind", as applicable, "Lease number", "Well number", location of well by 1/4 section, township, and range.

B. THIRTEEN POINT SURFACE USE PLAN

1. Deer Winter Range Stipulation

In order to protect important deer winter range, no drilling will be allowed from December 1 through April 30. Wells spudded prior to December 1 will not be affected by this stipulation. Once oil has been discovered; well completions, production facilities, pipeline etc., are not bound to this stipulation.



116 State Capitol Building
Salt Lake City, UT 84114
Telephone 801-533-5245

office of planning and budget

Norman H. Bangerter, Governor Dale C. Hatch, C.P.A., J.D., Director Michael E. Christensen, Ph.D., Deputy Director

RECEIVED
DEC 09 1986

DIVISION OF
OIL, GAS & MINING

December 8, 1986

John Baza
Division Oil, Gas and Mining
3 Triad Center - Suite 350
Salt Lake City, Utah 84180-1203

SUBJECT: Application for Permit to Drill
State Application Identifier #UT861125-030

Dear John:

The Resource Development Coordinating Committee of the State of Utah has reviewed this proposed action and no comments have been indicated.

Thank you for the opportunity of reviewing this document. Please address any other questions regarding this correspondence to Carolyn Wright (801) 533-4971.

Sincerely,

Michael E. Christensen
Deputy Director

MEC/cw

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

CALVIN BLACK

Chairman

P.O. Drawer A1 • Price, Utah 84501 • Telephone 637-5444

WILLIAM D. HOWELL

Executive Director

JAN 30 1987

DIVISION OF
OIL, GAS & MINING

AREAWIDE CLEARINGHOUSE A-95 REVIEW

NOI ___ Preapp ___ App ___ State Plan ___ State Action X Subdivision ___ (ASP # 11-1125-10)

Other (indicate) _____ SAI Number UT861175-030

Applicant (Address, Phone Number):

Federal Funds:

Requested: _____

Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

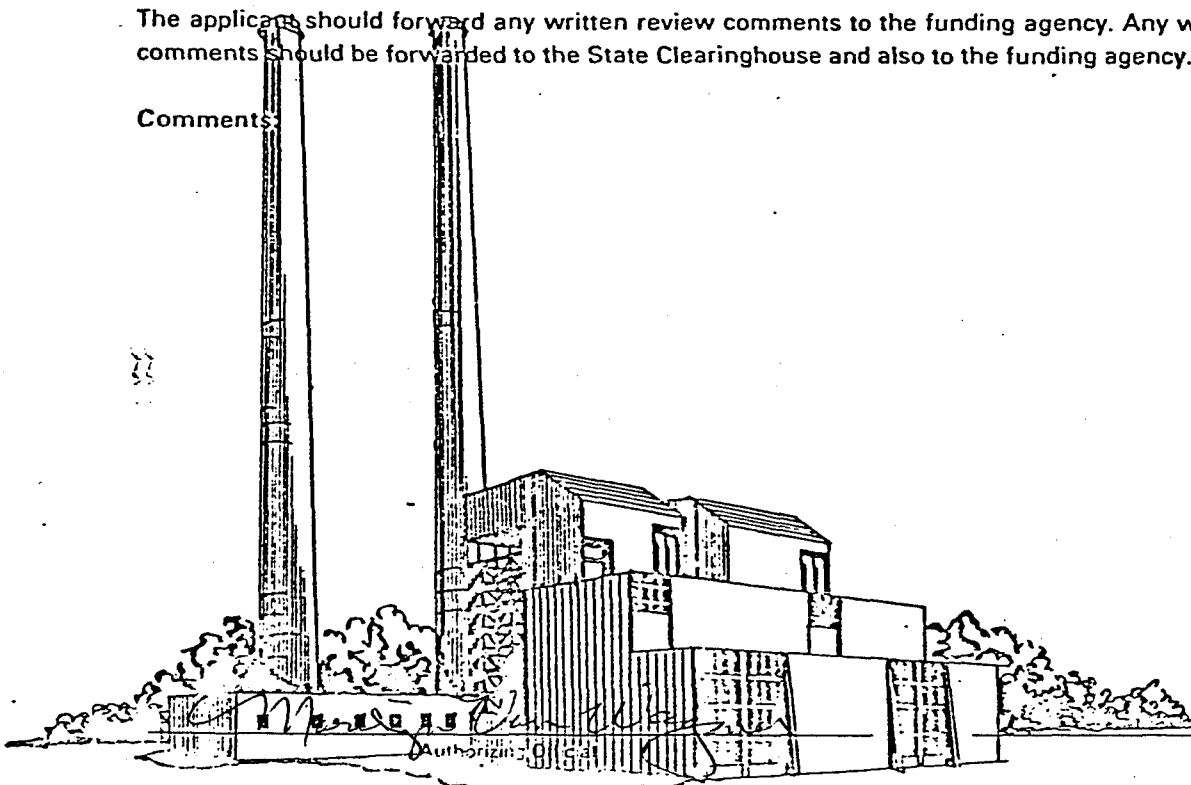
Title:

APPLICATION FOR PERMIT TO DRILL
Yates Petroleum Corporation

- ☒ No comment (Favorable)
☐ See comments below
☐ No action taken because of insufficient information
☐ Please send your formal application to us for review. Your attendance is requested ☐

The applicant should forward any written review comments to the funding agency. Any written response to those comments should be forwarded to the State Clearinghouse and also to the funding agency.

Comments:



1-28-87

Date

REGIONAL CLEARINGHOUSE

DIVISION OF OIL, GAS AND MINING

061801

SPUDDING INFORMATION

API #43-037-31286

NAME OF COMPANY: YATES PETROLEUM CORPORATION

WELL NAME: CAVE CANYON 2-33

SECTION SE SW 33 TOWNSHIP 37S RANGE 24E COUNTY San Juan

DRILLING CONTRACTOR Coleman

RIG # 3

SPUDDED: DATE 6-15-87

TIME 9:30 PM

HOW Rotary

DRILLING WILL COMMENCE _____

REPORTED BY Rusty

TELEPHONE # 505-748-1471

DATE 6-16-87 SIGNED SBH

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for a well proposal.)

RECEIVED
JUN 19 1987

OIL WELL ☒ GAS WELL ☐ OTHER ☐ TITE HOLE

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South 4th St., Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface

1200' FSL & 2520' FWL

14. PERMIT NO.

API #43-037-31286

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

5385' GR

5. LEASE DESIGNATION AND SERIAL NO.

U-40751

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

062943

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Cave Canyon

9. WELL NO.

2-33

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

SE/SW, Sec. 33-T37S-R24E

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐

FRACTURE TREAT ☐

SHOOT OR ACIDIZE ☐

REPAIR WELL ☐

(Other) ☐

PULL OR ALTER CASING ☐

MULTIPLE COMPLETION ☐

ABANDON* ☐

CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☒

FRACTURE TREATMENT ☐

SHOOTING OR ACIDIZING ☐

(Other) ☐

REPAIRING WELL ☐

ALTERING CASING ☐

ABANDONMENT* ☐

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

Spudded 17-1/2" hole at 9:30 PM 6-15-87. Verbal notification of spud given to Bob Turrey with BLM at 1:30 PM 6-15-87.

Ran 2 joints 13-3/8" 54.5# casing set 83'. Regular shoe set 83', baffle plate set 43'. Cemented with 125 sx Class B with 3% CaCl2 (yield 1.18, weight 15.6).

PD 7:30 AM 6-16-87. Bumped plug, released pressure and float held okay. Cement circulated 25 sacks. WOC. Drilled out 3:30 PM 6-16-87. WOC 8 hrs. Reduced hole to 12-1/4". Drilled plug and resumed drilling.

18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE

Production Supervisor

DATE 6/17/87

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other _____

b. TYPE OF COMPLETION:

NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RENVR. ☐ Other TITE HOLE

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South 4th St., Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface 1200' FSL & 2520' FWL

At top prod. interval reported below

At total depth

14. PERMIT NO.

API 43-037-31286

DATE ISSUED

DIVISION OF OIL
GAS & MINING

5. FARM OR LEASE NAME

Cave Canyon

9. WELL NO.

2-33

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

SE/SW, Sec. 33-T37S-R24E

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

15. DATE SPUDDED 6-15-87 16. DATE T.D. REACHED 6-28-87 17. DATE COMPL. (Ready to prod.) 7-27-87 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 5385' GR 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 6120' 21. PLUG, BACK T.D., MD & TVD 6086' 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY → X 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 6035-42'; 6050-60' Desert Creek 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Litho Density-Comp. Neutron;DLL; Borehole Compensated Sonic-GR

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	54.5#	83'	17-1/2"	125 sx (147.5 cu ft)	
8-5/8"	32#	1990'	12-1/4"	1100 sx (1298 cu ft)	
5-1/2"	15.5#	6120'	7-7/8"	325 sx (370.5 cu ft)	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-7/8"	6008'	6008'

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)

6035-42'; 6050-60' (1 SPF) w/19 .42" Holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
6035-6060'	w/3000 gal 20% NEFE acid.

33.* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
7-8-87		Flowing				Producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
7-27-87	24	20/64"	→	66	496	1	7515/1
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
300	-0-	→	66	496	1	40°	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Gas connected to pipeline 7-13-87.

TEST WITNESSED BY

Jeff Anderson

35. LIST OF ATTACHMENTS

Logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE

Production Supervisor

DATE 7/29/87

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TOP TRUE VERT. DEPTH
			DST #1 Upper Ismay 5825-5885': TO 15"; SI 60"; TO 60"; SI 180". Opened with strong blow. In 5 minutes had 3/4# on 1/8" choke, 1# in 10 mins and 1-3/4# in 15 minutes. SI 60'. Reopened with strong blow. In 5 mins had 2-1/4# on 1/8" choke, in 40 mins stabilized at 2#. SI 180 mins. RECOVERY: 120' drill mud. SAMPLER: 2.05 cfg, 225# Dry. BHT 132°. PRESSURES: IHP 1902; IFP 42-55; ISIP 360; FFP 55-67; FSIP 986; FHP 2915. DST #2 6004-6067' Lower Desert Creek: TO 15"; SI 60"; TO 60"; SI 180". Opened tool on 3/8" choke with 4" blow, increased to 2.0 psi. Changed to 1/8" with 13.0 psi in 10 minutes. SI. GTS in 9 minutes. Re-opened on 3/8" choke with 2.0 psi. GTS in 4 mins. Pressure increased from 18 psi in 5 mins to 35.0 psi in 20 mins, then decreased to 23 psi in 50 mins. RECOVERY: 5.75 BO (749' free oil) and .86 bbls mud (208' drilling mud). SAMPLER: 5.6 SCF gas, 580 cc oil and 950# pressure. PRESSURES: IHP 3368; IFP 88-196; ISIP 3265; FFP 252-321; FSIP 3267; FHP 3371.	Morrison Entrada Navajo Chinle Shinarump Cutler Honaker Trail Paradox Upper Ismay Lower Ismay Upp.Desert Creek Lwr.Desert Creek Akah	Surface 783 982 1864 2546 2694 4624 5574 5716 5880 5968 6035 6097	

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING

1. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

5/1/2011

FROM: (Old Operator): N7400-Yates Petroleum Corporation 105 S 4th St Artesia, NM 88210 Phone: 1 (505) 748-4169	TO: (New Operator): N2292-Lodestone Operating, Inc. 272 Beachwalk Lane Port Aransas, TX 78373 Phone: 1 (361) 877-7077
---	--

CA No.

Unit:

WELL NAME	SEC TWN RNG			API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
CAVE CANYON #2-33	33	370S	240E	4303731286	10667	Federal	OW	P

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 7/18/2011
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 7/18/2011
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/24/2010
- Is the new operator registered in the State of Utah: Business Number: 6279346-0143
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 7/19/2011
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 7/19/2011
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000255
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number n/a
- The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU40751

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
OIL WELL ☒ GAS WELL ☒ OTHER _____

8. WELL NAME and NUMBER:
CAVE CANYON 2-33

2. NAME OF OPERATOR:
LODESTONE OPERATING, INC N2292

9. API NUMBER:
4303731286

3. ADDRESS OF OPERATOR:
272 BEACHWALK LN CITY PORT ARANSAS STATE TX ZIP 78373
PHONE NUMBER: (361) 877-7077

10. FIELD AND POOL, OR WILDCAT:
CAVE CANYON

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1200' FSL & 2520' FWL

COUNTY: SAN JUAN

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 33 37S 24E SLM

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 5/1/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

THIS IS A CHANGE OF OPERATOR FROM YATES PETROLEUM CORPORATION TO LODESTONE OPERATING, INC.
EFFECTIVE MAY 1, 2011.
BOND COVERAGE HEREUNDER IS PROVIDED BY STATEWIDE BOND UTB000255.

I hereby certify that the foregoing is true and correct
Company: Yates Petroleum Corporation

N7400

Print Name: John A. Yates, Jr.

Title: Attorney-in-Fact

Signed:

Date: 6/30/11

105 S 4th St
Artesia NM 82210
(505) 748-4169

NAME (PLEASE PRINT) David M. Reavis

TITLE President

SIGNATURE

DATE 7-11-2011

(This space for State use only)

APPROVED 7/19/2011

(5/2000)

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

JUL 18 2011

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU40751
2. Name of Operator LODESTONE OPERATING, INC. Contact: SYLVIA A MILLS E-Mail: smills@lodestoneoperating.com		6. If Indian, Allottee or Tribe Name
3a. Address PMB #169 1605 HIGHWAY 181 PORTLAND, TX 78374	3b. Phone No. (include area code) Ph: 361-816-7654 Fx: 480-287-9401	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 33 T37S R24E SESW 1200FSL 2520FWL		8. Well Name and No. CAVE CANYON 2-33
		9. API Well No. 43-037-31286
		10. Field and Pool, or Exploratory CAVE CANYON
		11. County or Parish, and State SAN JUAN COUNTY COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THIS IS A CHANGE OF OPERATOR FROM YATES PETROLEUM CORPORATION TO
LODESTONE OPERATING, INC.
PMB #169,
1605 HIGHWAY 181,
PORTLAND, TEXAS 78374

EFFECTIVE MAY 1,2011

BOND COVERAGE HEREUNDER IS PROVIDED BY STATEWIDE BOND #UTB000285 263

RECEIVED

JAN 12 2012

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Electronic Submission #127907 verified by the BLM Well Information System For LODESTONE OPERATING, INC., sent to the Moab Committed to AFMSS for processing by MARIE MCGANN on 01/12/2012 ()	
Name (Printed/Typed) DAVID M REAVIS	Title PRESIDENT
Signature (Electronic Submission)	Date 01/11/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>ACCEPTED</u>	Title <u>Division of Resources</u>	Date <u>1/12/12</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office <u>Moab Field Office</u>	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

CC: UDOGM
1/12/12

Lodestone Operating, Inc.
Well No. Cave Canyon 2-33
Section 33, T37S, R24E
Lease UTU40651
San Juan County, Utah

CONDITIONS OF ACCEPTANCE

Acceptance of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Lodestone Operating, Inc. is considered to be the operator of the above referenced well effective May 1, 2011, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UTB000263 (Principal – Lodestone Operating, Inc.) as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-40751			
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: LODESTONE OPERATING, INC		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: 272 Beachwalk Ln , Port Aransas, TX, 78373		8. WELL NAME and NUMBER: CAVE CANYON #2-33			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1200 FSL 2520 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 33 Township: 37.0S Range: 24.0E Meridian: S		9. API NUMBER: 43037312860000			
9. FIELD and POOL or WILDCAT: CAVE CANYON		COUNTY: SAN JUAN			
STATE: UTAH					
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 10/10/2012 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Please see attached Sundry Verbiage					
Accepted by the Utah Division of Oil, Gas and Mining Date: October 23, 2012 By: <u>Derek Quist</u>					
NAME (PLEASE PRINT) Sylvia Mills		PHONE NUMBER 361-816-7654			
SIGNATURE N/A		TITLE Production Analyst			
DATE 10/9/2012					

Verbiage for Sundry - Cave Canyon 2-33. 10.1.12

This Sundry is to request permission to perform the following operation on the above well.

Present status: 1.5 BOPD , 0 BWPD, 25 MCFD, on pump, from Desert Creek perforations from 6035 - 42, 6050 - 60 ft.

Proposed Operation:

1. Pull rods and pump, release tbg anchor and Pull 2-7/8" tubing.
2. GIH with wireline set, tbg retrievable temporary Bridge Plug and set at 5950'.
3. Load hole with produced SW.
4. GIH with dump bailer and spot 20% HCL acid across perf zone.
5. GIH with casing gun and perf 5828 - 54 ft.
6. GIH with tubing assembly consisting of BP retrieving head, 2-7/8 x 2-3/8 x-over, retrievable packer, 2-3/8 x 2-7/8 x-over, 2-7/8 SN, 2-7/8" tubing.
7. Swab and evaluate.
8. If warranted, stimulate with 28% HCL acid, 1500 - 3000 gals depending on swab results.
9. Swab and evaluate.
10. If well flows, move out rig.
11. If well doesn't flow, but also doesn't produce large amount of water, release packer, pull BP, POOH with tubing, re-run tbg, rods, and pump.
12. If large amount of water is produced, squeeze new perfs, drill out, test csg, retrieve BP, return well to production from Desert Creek.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-40751
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: LODESTONE OPERATING, INC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1605 US HWY 181, PMB 169, PORTLAND, TX, 78374		8. WELL NAME and NUMBER: CAVE CANYON #2-33
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1200 FSL 2520 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 33 Township: 37.0S Range: 24.0E Meridian: S		9. API NUMBER: 43037312860000
PHONE NUMBER: 361 877-7077 Ext		9. FIELD and POOL or WILDCAT: CAVE CANYON
COUNTY: SAN JUAN		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 7/17/2013 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. <div style="text-align: center; font-size: 1.2em;">Please see attachment</div> <div style="text-align: right; margin-top: 20px;"> Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY September 25, 2013 </div>		
NAME (PLEASE PRINT) Sylvia Mills	PHONE NUMBER 361-816-7654	TITLE Production Analyst
SIGNATURE N/A	DATE 7/17/2013	

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:

3. ADDRESS OF OPERATOR:

CITY

STATE

ZIP

PHONE NUMBER:

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	_____	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NAME (PLEASE PRINT) _____ TITLE _____

SIGNATURE _____ DATE _____

(This space for State use only)

INSTRUCTIONS

This form shall be submitted by the operator to show the intention and/or completion of the following:

- miscellaneous work projects and actions for which other specific report forms do not exist;
- all other work and events as identified in section 11, Type of Action, or as required by the Utah Oil and Gas Conservation General Rules, including:
 - minor deepening of an existing well bore,
 - plugging back a well,
 - recompleting to a different producing formation within an existing well bore (intent only),
 - reperfing the current producing formation,
 - drilling a sidetrack to repair a well,
 - reporting monthly the status of each drilling well.

This form is not to be used for proposals to

- drill new wells,
- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

Use Form 3, Application for Permit to Drill (APD) for such proposals.

NOTICE OF INTENT - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

SUBSEQUENT REPORT - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

WELL ABANDONMENT - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

In addition to any Sundry Notice forms submitted, **Form 8, Well Completion or Recompletion Report and Log** must be submitted to the division to report the results of the following operations:

- completing or plugging a new well,
- reentering a previously plugged and abandoned well,
- significantly deepening an existing well bore below the current bottom-hole depth,
- drilling horizontal laterals from an existing well bore,
- drilling hydrocarbon exploratory holes such as core samples and stratigraphic tests,
- recompleting to a different producing formation.

Send to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940